Adoption of Village for Rural Insurance

567. SHRI DINA NATH MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have fixed any criteria for a village to be adopted for comprehensive rural insurance by any of the Insurance Companies;

(b) if so, the details thereof;

(c) what is the estimate of revenue generated by way of rural insurance; and

(d) the details of the measures adopted for the promotion of competition among various insurance companies for the same in the rural sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE-PATIL): (a) and (b) Oriental Insurance Co. Ltd. has adopted two districts *viz.* Ambala and Jodhpur for intensive rural insurance development while New India launched new rural insurance products in November, 2000 on pilot basis, in Ahmednagar district to meet the requirements of major occupational segments of rural population there. Similarly, Life Insurance Corporation of India, as a part of its marketing strategy to increase the percentage of insurance business from rural areas has adopted a scheme of recognizing the villages as "Bima Grams* subject to certain conditions.

(c) The four public sector general insurance companies generated a premium of Rs. 439.29 Crores during the year 2000-01 from the rural! business. The Life Insurance Corporation of India generated a first year premium of Rs. 1887.67 Crores from new business from rural areas.

(d) The insurance companies compete among themselves for all business including rural insurance business, on the basis of their service and price of their insurance products.

Currency and Finance Report

568. SHRI DINA NATH MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken into consideration the RBI Report titled "Currency and Finance Report" released on 12th January, 2002 in which RBI has raised fears of a deflation; and

(b) if so, what is the Government's response to this complex problem of finance management?